

**Exhibit 300 (BY2009)**

PART ONE	
OVERVIEW	
1. Date of Submission:	2007-09-10
2. Agency:	015
3. Bureau:	45
4. Name of this Capital Asset:	Appeals Automated Environment (AAE)
5. Unique Project Identifier:	015-45-01-14-01-2239-00
6. What kind of investment will this be in FY2009?	
Mixed Life Cycle	
7. What was the first budget year this investment was submitted to OMB?	
FY2002	
8. Provide a brief summary and justification for this investment, including a brief description of how this closes in part or in whole an identified agency performance gap.	
<p>The Appeals Automated Environment (AAE) is a fully integrated office automation environment that provides nationwide information technology (IT) equipment, services and support to enable the mission critical and core business activities of the IRS Appeals organization. AAE is a combination of technology and people, with the majority of costs allocated to labor provided by Government FTEs. The "technology" component of AAE includes one primary application, the Appeals Centralized Database System (ACDS), and two minor applications, ACuServ (Appeals Customer Service) and ABCs (Appeals Budget Control System). ACDS provides case management, timekeeping, and report generation capabilities. In addition, the "technology" component also includes the hardware and software that make up the supporting IT infrastructure for Appeals. The "people" component of AAE is comprised of a geographically dispersed staff of Government FTEs providing management and program support, seat management, applications development, and IT systems services, maintenance, equipment and support to Appeals end-users. AAE was designed and implemented in 1980 and currently operates largely as an Operations and Maintenance (O&amp;M) investment, with the exception of minor, as needed (stay in business) systems changes or enhancements.</p>	
9. Did the Agency's Executive/Investment Committee approve this request?	
yes	
9.a. If "yes," what was the date of this approval?	
2007-08-16	
10. Did the Project Manager review this Exhibit?	
yes	
11. Project Manager Name:	
Wilson, Jeanne	
Project Manager Phone:	
202-435-5675	
Project Manager Email:	
Jeanne.M.Wilson@irs.gov	
11.a. What is the current FAC-P/PM certification level of the project/program manager?	
TBD	
12. Has the agency developed and/or promoted cost effective, energy-efficient and environmentally sustainable techniques or practices for this project.	
no	
12.a. Will this investment include electronic assets (including computers)?	
yes	

12.b. Is this investment for new construction or major retrofit of a Federal building or facility? (answer applicable to non-IT assets only)	
no	
13. Does this investment directly support one of the PMA initiatives?	
yes	
If yes, select the initiatives that apply:	
Human Capital	
13.a. Briefly and specifically describe for each selected how this asset directly supports the identified initiative(s)? (e.g. If E-Gov is selected, is it an approved shared service provider or the managing partner?)	
The Appeals Centralized Database System (ACDS) provides the technology that enables the core business actions of the Appeals organization. Without this asset, Appeals would require a larger case processing work force, take longer to place a case in the hands of an Appeals or Settlement Officer, thus crippling the mission critical business activities and adversely impacting employee and Taxpayer burden and satisfaction.	
14. Does this investment support a program assessed using the Program Assessment Rating Tool (PART)?	
no	
14.a. If yes, does this investment address a weakness found during the PART review?	
no	
15. Is this investment for information technology?	
yes	
16. What is the level of the IT Project (per CIO Council's PM Guidance)?	
Level 2	
17. What project management qualifications does the Project Manager have? (per CIO Council's PM Guidance)	
(1) Project manager has been validated as qualified for this investment	
18. Is this investment identified as high risk on the Q4 - FY 2007 agency high risk report (per OMB memorandum M-05-23)?	
yes	
19. Is this a financial management system?	
no	
20. What is the percentage breakout for the total FY2008 funding request for the following? (This should total 100%)	
Hardware	13
Software	0
Services	80
Other	7
21. If this project produces information dissemination products for the public, are these products published to the Internet in conformance with OMB Memorandum 05-04 and included in your agency inventory, schedules and priorities?	
yes	
22. Contact information of individual responsible for privacy related questions.	
Name	
Carlos Moura	
Phone Number	
202- 927-0730	
Title	
Management and Program Analyst	
Email	
carlos.moura@irs.gov	
23. Are the records produced by this investment appropriately scheduled with the National Archives and Records Administration's approval?	

yes

24. Does this investment directly support one of the GAO High Risk Areas?

no

### SUMMARY OF SPEND

1. Provide the total estimated life-cycle cost for this investment by completing the following table. All amounts represent budget authority in millions, and are rounded to three decimal places. Federal personnel costs should be included only in the row designated Government FTE Cost, and should be excluded from the amounts shown for Planning, Full Acquisition, and Operation/Maintenance. The total estimated annual cost of the investment is the sum of costs for Planning, Full Acquisition, and Operation/Maintenance. For Federal buildings and facilities, life-cycle costs should include long term energy, environmental, decommissioning, and/or restoration costs. The costs associated with the entire life-cycle of the investment should be included in this report.

All amounts represent Budget Authority

	PY-1 & Earlier	PY	CY
	-2006	2007	2008
Planning Budgetary Resources	0.000	0.000	0.000
Acquisition Budgetary Resources	0.000	0.000	0.000
Maintenance Budgetary Resources	5.473	2.733	2.795
Government FTE Cost	20.058	10.510	10.946
# of FTEs	182	92	92

Note: For the cross-agency investments, this table should include all funding (both managing partner and partner agencies).

Government FTE Costs should not be included as part of the TOTAL represented.

2. Will this project require the agency to hire additional FTE's?

no

### PERFORMANCE

In order to successfully address this area of the exhibit 300, performance goals must be provided for the agency and be linked to the annual performance plan. The investment must discuss the agency's mission and strategic goals, and performance measures (indicators) must be provided. These goals need to map to the gap in the agency's strategic goals and objectives this investment is designed to fill. They are the internal and external performance benefits this investment is expected to deliver to the agency (e.g., improve efficiency by 60 percent, increase citizen participation by 300 percent a year to achieve an overall citizen participation rate of 75 percent by FY 2xxx, etc.). The goals must be clearly measurable investment outcomes, and if applicable, investment outputs. They do not include the completion date of the module, milestones, or investment, or general goals, such as, significant, better, improved that do not have a quantitative measure.

Agencies must use the following table to report performance goals and measures for the major investment and use the Federal Enterprise Architecture (FEA) Performance Reference Model (PRM). Map all Measurement Indicators to the corresponding Measurement Area and Measurement Grouping identified in the PRM. There should be at least one Measurement Indicator for each of the four different Measurement Areas (for each fiscal year). The PRM is available at [www.egov.gov](http://www.egov.gov). The table can be extended to include performance measures for years beyond FY 2009.

	Fiscal Year	Strategic Goal Supported	Measurement Area	Measurement Grouping	Measurement Indicator	Baseline	Planned Improvement to the Baseline	Actual Results
1	2005	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Number of Resolved Taxpayer Cases	103,946	104,574 Cases Closed	102,597 at the end of FY 05.
2	2005	Manage the U.S.	Processes and Activities	Cycle Time	Closed Taxpayer Case	105%	101%	103% at the end of the

		Government's Finances Effectively			Ratios			FY 05.
<b>3</b>	2005	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	53%	62%	61% at the end of FY 05.
<b>4</b>	2006	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Number of Resolved Taxpayer Cases	102,597	102,597 Cases Closed	102,559 at the end of FY 06
<b>5</b>	2006	Manage the U.S. Government's Finances Effectively	Processes and Activities	Cycle Time	Closed Taxpayer Case Ratios	103%	105%	106% Closure rate at the end of FY 06.
<b>6</b>	2006	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	61%	62%	57% of Appeals customers reported that they were satisfied with the service they received in Appeals. This is as of 30 September 2006, the end of yearly survey period.
<b>7</b>	2007	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Number of Resolved Taxpayer Cases	102,559	102,598 Cases Closed	75,252 at end of 3rd Qtr.
<b>8</b>	2007	Manage the U.S. Government's Finances Effectively	Processes and Activities	Cycle Time	Closed Taxpayer Case Ratios	106%	107%	101% at end of 3rd Qtr.
<b>9</b>	2007	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	57%	61%	69% This is our year end result because the e-300 schedule is not synchronized with our survey schedule.
<b>10</b>	2007	Manage the U.S. Government's	Technology	Availability	System Up Time	98%	98%	99%

		Finances Effectively						
11	2007	Manage the U.S. Government's Finances Effectively	Technology	User Satisfaction	Appeals User Satisfaction	74%	75%	Waiting for end of year results
12	2008	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Number of Resolved Taxpayer Cases	TBD	105,958 Cases Closed	Wait for FY 08 data from ACDS
13	2008	Manage the U.S. Government's Finances Effectively	Processes and Activities	Cycle Time	Closed Taxpayer Case Ratios	TBD	106%	Wait for FY 08 data from ACDS.
14	2008	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	TBD	63%	Wait for FY 08 results.
15	2008	Manage the U.S. Government's Finances Effectively	Technology	Availability	System up Time	98%	98%	Wait for FY 08 data/results.
16	2008	Manage the U.S. Government's Finances Effectively	Technology	User Satisfaction	Appeals User Satisfaction	TBD	76%	Wait for FY 08 data/results.
17	2009	Manage the U.S. Government's Finances Effectively	Mission and Business Results	Taxation Management	Number of Resolved Taxpayer Cases	TBD	108,088 Cases Closed	Wait for FY 09 data from ACDS.
18	2009	Manage the U.S. Government's Finances Effectively	Processes and Activities	Cycle Time	Closed Taxpayer Case Ratios	TBD	107%	Wait for FY 09 data from ACDS.
19	2009	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	TBD	64%	Wait for FY 09 data/results.
20	2009	Manage the U.S. Government's Finances Effectively	Technology	Availability	System Up Time	98%	98%	Wait for FY 09 data/results.
21	2009	Manage the U.S. Government's Finances Effectively	Technology	User Satisfaction	Appeals User Satisfaction	TBD	77%	Wait for FY 09 data/results.
22	2010	Manage the	Mission and	Taxation	Number of	TBD	108,628	Wait for FY

		U.S. Government's Finances Effectively	Business Results	Management	Resolved Taxpayer Cases			10 data from ACDS.
23	2010	Manage the U.S. Government's Finances Effectively	Processes and Activities	Cycle Time	Closed Taxpayer Case Ratios	TBD	108%	Wait for FY 10 data from ACDS.
24	2010	Manage the U.S. Government's Finances Effectively	Customer Results	Customer Satisfaction	Taxpayer Satisfaction	TBD	65%	Wait for FY 10 data/results.
25	2010	Manage the U.S. Government's Finances Effectively	Technology	Availability	System Up Time	98%	98%	Wait for FY 10 data/results.
26	2010	Manage the U.S. Government's Finances Effectively	Technology	User Satisfaction	Appeals User Satisfaction	TBD	78%	Wait for FY 10 data/results.

EA
<i>In order to successfully address this area of the business case and capital asset plan you must ensure the investment is included in the agency's EA and Capital Planning and Investment Control (CPIC) process, and is mapped to and supports the FEA. You must also ensure the business case demonstrates the relationship between the investment and the business, performance, data, services, application, and technology layers of the agency's EA.</i>
1. Is this investment included in your agency's target enterprise architecture?
yes
2. Is this investment included in the agency's EA Transition Strategy?
yes
2.a. If yes, provide the investment name as identified in the Transition Strategy provided in the agency's most recent annual EA Assessment.
Appeals Automated Environment
3. Is this investment identified in a completed (contains a target architecture) and approved segment architecture?
no
3.a. If yes, provide the name of the segment architecture as provided in the agency's most recent annual EA Assessment.
Enterprise Transition Plan, Volume 1: Enterprise Transition Strategy (IRS)
4. Identify the service components funded by this major IT investment (e.g., knowledge management, content management, customer relationship management, etc.). Provide this information in the format of the following table. For detailed guidance regarding components, please refer to <a href="http://www.whitehouse.gov/omb/egov/">http://www.whitehouse.gov/omb/egov/</a> .
Component: Use existing SRM Components or identify as NEW. A NEW component is one not already identified as a service component in the FEA SRM.
Reused Name and UPI: A reused component is one being funded by another investment, but being used by this investment. Rather than answer yes or no, identify the reused service component funded by the other investment and identify the other investment using the Unique Project Identifier (UPI) code from the OMB Ex 300 or Ex 53 submission.
Internal or External Reuse?: Internal reuse is within an agency. For example, one agency within a department is reusing a service component provided by another agency within the same department. External reuse is one agency within a department reusing a service component provided by another agency in another department. A good example of this is an E-Gov initiative service being reused by multiple organizations across the federal government.
Funding Percentage: Please provide the percentage of the BY requested funding amount used for each service component listed in the table. If external, provide the funding level transferred to another agency to pay for the service.

	Agency Component Name	Agency Component Description	Service Type	Component	Reused Component Name	Reused UPI	Internal or External Reuse?	Funding %
1	System Resource Monitoring	Appeals Information Systems Office (AI SO). i.e. our IS support, monitors system usage	Systems Management	System Resource Monitoring			No Reuse	1
2	License Management	AISO manages licenses for ACDS, file servers and web services.	Systems Management	License Management			No Reuse	0
3	Access Control	AISO has procedures for granting access to the Appeals Domain and ACDS. AISO has procedures for user management	Security Management	Access Control			No Reuse	4
4	Forms Creation	AISO creates forms which are output for ACDS users and Taxpayers.	Forms Management	Forms Creation			No Reuse	3
5	Forms Modification	AISO modifies forms used by ACDS.	Forms Management	Forms Modification			No Reuse	3
6	Document Library	AISO maintains a Document Library for ACDS and the Appeals Network	Collaboration	Document Library			No Reuse	0
7	Case Management	Appeals uses ACDS for tracking and workflow related to taxpayer cases in Appeals jurisdiction.	Tracking and Workflow	Case Management			No Reuse	42
8	Classification	ACDS supports a search capability.	Search	Classification			No Reuse	1
9	Query	ACDS supports a search capability and the Appeals Web-page has a search capability	Search	Query			No Reuse	1

10	Pattern Matching	ACDS supports a search capability.	Search	Pattern Matching			No Reuse	1
12	Decision Support & Planning	ACDS performs decision support and planning by providing Appeals Management with data on cases Appeals' is processing.	Business Intelligence	Decision Support and Planning			No Reuse	2
13	Demand Forecasting/MGMT	ACDS performs demand forecasting by providing Appeals Management with data on the number and type of cases Appeals' is processing.	Business Intelligence	Demand Forecasting / Mgmt			No Reuse	2
14	Data Classification	AISO creates data classifications based on its software development	Data Management	Data Classification			No Reuse	8
15	Data Recovery	AISO warehouses and recovers data from ACDS	Data Management	Data Recovery			No Reuse	4
16	Loading and Archiving	AISO loads and extracts data into and from ACDS	Data Management	Loading and Archiving			No Reuse	2

5. To demonstrate how this major IT investment aligns with the FEA Technical Reference Model (TRM), please list the Service Areas, Categories, Standards, and Service Specifications supporting this IT investment.

FEA SRM Component: Service Components identified in the previous question should be entered in this column. Please enter multiple rows for FEA SRM Components supported by multiple TRM Service Specifications.

Service Specification: In the Service Specification field, Agencies should provide information on the specified technical standard or vendor product mapped to the FEA TRM Service Standard, including model or version numbers, as appropriate.

	SRM Component	Service Area	Service Category	Service Standard	Service Specification (i.e., vendor and product name)
1	System Resource Monitoring	Service Platform and Infrastructure	Delivery Servers	Application Servers	In-house developed software and Aelita software
2	Data Recovery	Service Platform and Infrastructure	Database / Storage	Storage	Veritas Backup Exec
3	Decision Support and Planning	Service Platform and Infrastructure	Delivery Servers	Application Servers	In-house developed software
4	Query	Service Platform and Infrastructure	Delivery Servers	Web Servers	Microsoft IIS 5.0



5	Query	Service Platform and Infrastructure	Delivery Servers	Portal Servers	Microsoft IIS 5.0
6	Demand Forecasting / Mgmt	Service Platform and Infrastructure	Hardware / Infrastructure	Embedded Technology Devices	In-house developed software
7	License Management	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	In-house developed software, policy and ITAMS asset center
8	Access Control	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	In-house developed software and Aelita software
9	Document Library	Service Platform and Infrastructure	Hardware / Infrastructure	Servers / Computers	Borland Star Team
10	Loading and Archiving	Service Platform and Infrastructure	Hardware / Infrastructure	Peripherals	Dell Autoloader and Single Tape backup units
11	Forms Creation	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	In-house developed software, Adobe and Word
12	Forms Modification	Service Platform and Infrastructure	Hardware / Infrastructure	Network Devices / Standards	In-house developed software, Adobe and Word
13	Classification	Service Platform and Infrastructure	Delivery Servers	Web Servers	In-house developed software, SQL server and Microsoft IIS 5.0
14	Pattern Matching	Service Platform and Infrastructure	Delivery Servers	Web Servers	In-house developed software, SQL Server and Microsoft IIS 5.0
16	Data Classification	Service Interface and Integration	Interoperability	Data Format / Classification	In-house developed
17	Data Classification	Service Interface and Integration	Interoperability	Data Types / Validation	Computer Associated ERWIN
18	Case Management	Service Platform and Infrastructure	Database / Storage	Database	MS/SQL server & custom code

6. Will the application leverage existing components and/or applications across the Government (i.e., FirstGov, Pay.Gov, etc)?

no

## PART TWO

### RISK

*You should perform a risk assessment during the early planning and initial concept phase of the investment's life-cycle, develop a risk-adjusted life-cycle cost estimate and a plan to eliminate, mitigate or manage risk, and be actively managing risk throughout the investment's life-cycle.*

*Answer the following questions to describe how you are managing investment risks.*

1. Does the investment have a Risk Management Plan?

yes

1.a. If yes, what is the date of the plan?

2007-05-01

1.b. Has the Risk Management Plan been significantly changed since last year's submission to OMB?

no

3. Briefly describe how investment risks are reflected in the life cycle cost estimate and investment schedule:

AAE is a mixed life investment that is largely a steady state operation of a legacy system implemented in 1980 with limited DME that consists largely of stay in business change requests and enhancements that are developed and implemented in-house using existing government FTEs. The AAE project team risk-adjusted the life cycle costs by defining qualitative and quantitative risk scores for impact and probability, assessing the impact and probability for each

risk, calculating risk-adjustment factors by multiplying each risk's impact and probability, and applying those factors to selected cost elements to adjust the expected value to account for risk. )DME. The AAE team developed risk-adjusted costs by defining a risk score for impact and probability, assessing the impact and probability for each risk, calculating risk-adjustment factors by multiplying each risk's impact and probability, and applying those factors to selected cost elements to adjust the expected value to account for risk.

#### **COST & SCHEDULE**

*1. Does the earned value management system meet the criteria in ANSI/EIA Standard 748?*

no

*2. Is the CV% or SV% greater than  $\hat{A} \pm 10\%$ ?*

no

*3. Has the investment re-baselined during the past fiscal year?*

no